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Subject: EPA OKs Texas Trading Program in Lieu of Sulfur Dioxide Controls

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EPA OKs Texas Trading Program in Lieu of Sulfur Dioxide Controls

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- Texas coal-fired fleet will trade sulfur dioxide emissions to meet statewide cap
 - Critics say cap isn't stringent enough to reduce haze-forming pollution
- The EPA plans to greenlight an intrastate trading program instead of tighter controls in Texas to curb emissions of haze-forming sulfur dioxide from power plants.

A rule to be published Aug. 12 would finalize the Environmental Protection Agency's plan to allow the state to meet its regional haze requirements through a cap-and-trade program for sulfur dioxide emissions from its coal-fired fleet, which consists of about eight operating plants. The rule would scrap the Obama-era approach of requiring coal-fired power plants to install sulfur-dioxide scrubbing controls.

The state's coal-fired power fleet would be permitted to trade sulfur dioxide allowances with each other to meet an emissions cap.

The Texas Commission on Environmental Quality said Tuesday it supports the trading scheme that EPA has devised for sulfur dioxide emissions to meet regional haze requirements.

The state agency also has the option to replace the EPA trading program with a state-run program, "but we are still evaluating that option," commission spokesman Brian McGovern told Bloomberg Law in an email.

Legal Challenge Expected

The Sierra Club and the National Parks Conservation Association, which opposed substituting the trading program for stricter pollution controls, has maintained emissions trading alone wouldn't make an appreciable dent in overall haze-forming pollution over the state's two main parks: Big Bend National Park in southwest Texas and Guadalupe Mountains National Park in West Texas.

Sulfur dioxide, a byproduct of fossil fuel combustion in power plants, contributes to haze that decreases visibility in national parks and wilderness areas.

"This is yet another disappointing, though expected, attempt by the Trump administration to roll back Clean Air Act safeguards in an effort to give some of the oldest coal-burning power plants in Texas a lifeline," Sierra Club senior attorney Joshua Smith told Bloomberg Law. "Instead of requiring pollution control technology that is common throughout the industry, the Trump plan unlawfully gives away hundreds of thousands of pollution credits to Texas coal plants."

Sierra plans to challenge the federal rule, Smith said.

The Sierra Club has received funding from Bloomberg Philanthropies, the charitable organization founded by Michael Bloomberg. Bloomberg Law is operated by entities controlled by Michael Bloomberg.

The federal regional haze program is aimed at setting standards to improve visibility in 156 national parks and wilderness areas, and requires sources of pollution to install the best available retrofit technology to control those emissions.

EPA in its final rule for Texas contends that states have the flexibility under the regional haze program "to adopt an emissions trading program or alternative program as long as the alternative provides greater reasonable progress towards improving visibility" than the source-specific controls required.

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